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Caroline, Cecil, Kent, and
Queen Anne's Counties

Environmental Matters Committee

Subcommittees

Agriculture, Agriculture Preservation
and Open Space
Natural Resources



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB1339-Sales and Use Tax and Personal Property Tax-Exemptions-Data Centers

Dear Chair and Members of the Committee:

House Bill 1339 creates incentives for the investment of data centers in Maryland by providing a sales and use tax exemption for the sale of qualified data center personal property for use at a qualified data center; giving an attractive competitive advantage in the market for data centers to relocate and expand. There are 30 states that have incentives specifically targeted at attracting data centers, including all of Maryland's neighboring States, this has increased from 17 states a couple of years ago.

To be eligible for the exemption, a corporation must invest at least \$5.0 Million in qualified data center personal property and must create at least 5 jobs within 3 years. For Economically Depressed Tier 1 Counties, they must invest at least \$2.0 Million and create 5 new jobs. Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico and Worcester are all considered Tier 1 Counties.

The jobs created with data centers are stable, high-paying jobs. For example, every job in a data center creates two jobs in companies that serve those data centers. These are jobs in engineering, technology services, software development, and operations. According to the Northern Virginia Technology Council, these jobs are paying on average twice the private-sector wages in Virginia.

House Bill 1339 is supported by the Kent County Commissioners and the Kent County Economic Development, The Eastern Shore Delegation, Maryland Department of Commerce, Maryland Energy Administration, MACo and many other letters of support that you have in your file.

I ask for your favorable vote of House Bill 1339